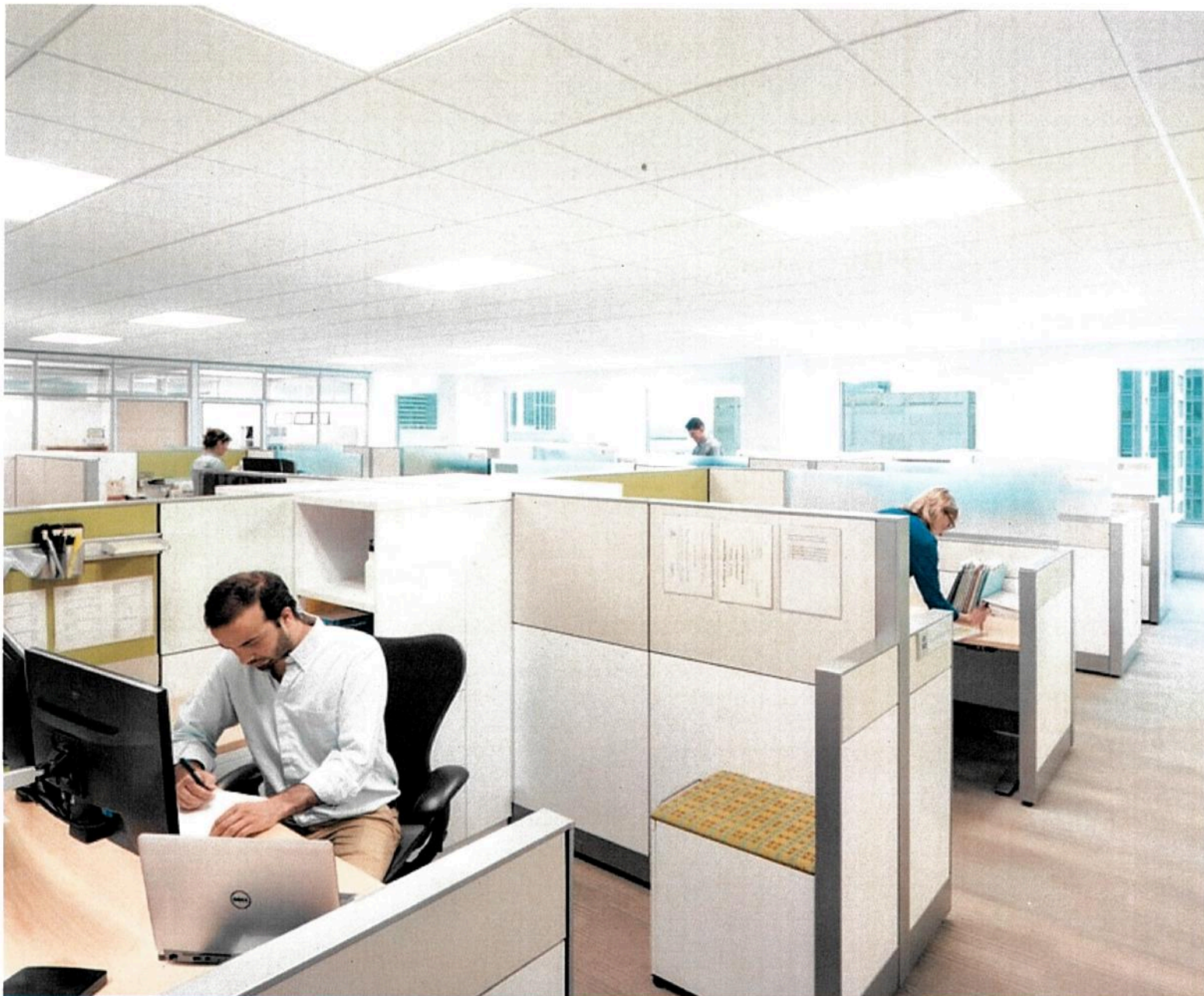




ENVIRONMENTAL PROTECTION AGENCY

Office of Administration and Resources Management



Real Property Efficiency Plan

FISCAL YEARS 2019 - 2023 FINAL

Cover: Photograph of newly renovated office workspaces within EPA's Region 9 Office at the Hawthorne Center, San Francisco, California. Photograph by Vittoria Zupicich (2017).

TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION | 1 |
| ROLES AND RESPONSIBILITIES OF SENIOR OFFICIALS | 1 |
| BUDGET ASSUMPTIONS AND IMPACT TO REDUCTION TARGETS | 2 |
| PORTFOLIO STATUS | 3 |
| <i>Overall Agency Building Portfolio</i> | 3 |
| <i>Status Relative to Reduce the Footprint Baseline Requirement</i> | 3 |
| <i>Maintenance of the Reduce the Footprint Baseline</i> | 4 |
| REDUCTION TARGETS | 5 |
| <i>Reduction Targets for Office and Warehouse Space</i> | 5 |
| <i>Disposal Targets for Owned Buildings</i> | 7 |
| <i>Use of Performance Benchmarks to Identify Reduction Opportunities</i> | 8 |
| <i>Space Design Standard for Future Reductions</i> | 9 |
| <i>Utilization Rates</i> | 9 |
| GSA CONSOLIDATION PROGRAM | 10 |
| COLLOCATION OPPORTUNITIES | 10 |
| OPERATIONAL EFFICIENCIES | 10 |
| COMPLIANCE INTERNAL CONTROLS | 11 |
| FRPP DATA QUALITY IMPROVEMENT | 12 |
| CHALLENGES AND IMPROVEMENT OPPORTUNITIES | 12 |

INTRODUCTION

The mission of the U.S. Environmental Protection Agency is to protect human health and the environment. The EPA's mission is carried out in office facilities and laboratories located throughout the United States. The EPA continues to evaluate its real estate portfolio – both office space and laboratory facilities – in order to make cost-effective recommendations for the future, ensure the efficient use of government resources, and ensure the long-term sustainability of our facilities. Using a national approach, engineering analyses, and an agency-wide office space standard, EPA has achieved considerable space reductions over the past five years.

At the end of fiscal year 2017, the EPA's real property portfolio totaled 8.7 million square feet of space, including office, warehouse, laboratory, and other spaces (see Table 1). For FY2017, the Reduce the Footprint policy-applicable real property portfolio, which consists solely of office and warehouse spaces, included approximately 400,000 SF of EPA-owned space, 4.69 million usable square feet of General Services Administration-leased space, and no direct-leased space. The EPA's real property portfolio is relatively small in comparison to those of other federal agencies. The EPA has limited authority to manage its real property portfolio. For example, the EPA does not have tools such as enhanced-use lease authority, construction/purchase authority, or direct-lease authority (although direct-lease authority has historically been temporarily granted in a few instances). The EPA does, however, have the ability to return GSA-leased space to GSA at the end of a lease term or, if the lease is severable and marketable, make blocks of space available to GSA. While the EPA does have authority under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to seize property abandoned by a Potentially Responsible Party, the agency serves as a steward only during remedial response actions and does not consider these properties to be part of its real property portfolio.

The EPA has executed an aggressive strategy of space reduction and consolidation, driven by the agency's dedication to its environmental mission and a significant reduction in the size of EPA's workforce. The EPA's space-reduction efforts have resulted in significant avoided lease costs. The agency also avoids costs by discontinuing upgrades and investments in real property assets scheduled for disposal in the near future.

Since the issuance of the Freeze the Footprint policy in FY2012, the EPA has continually pursued an aggressive space reduction strategy. Over the duration of the Freeze the Footprint policy, from FY2012 through FY2015, the EPA released 248,854 SF of office and warehouse space across regional and program offices, a 4.21 percent decrease from the FY2012 Freeze the Footprint baseline of 5,906,847 SF. FY2015 marked the baseline year of the Reduce the Footprint policy in concert with the OMB's National Strategy for Real Property. The EPA released office and warehouse space totaling 174,003 SF in FY2016 and 90,811 SF in FY2017. Furthermore, the EPA plans office and warehouse reductions totaling 719,837 SF between FY2018 and FY2023.

ROLES AND RESPONSIBILITIES OF SENIOR OFFICIALS

The Office of Administration and Resources Management manages real property assets in support of the agency's mission across 10 Regions and 13 Program Offices nationwide. The

assistant administrator for OARM serves as the EPA's Senior Real Property Officer and asset manager for the entire agency, although some authority is delegated. The SRPO's authority to set real property policy, to request leased office and laboratory space from GSA, and to accept titles and record deeds on the agency's behalf is delegated to the director, Office of Administration.

The approval procedures for capital construction and leasing projects are governed by the estimated cost and type of the project. New construction projects are funded from a specific Buildings and Facilities appropriation on a case-by-case basis. For new space projects, the Real Property Services Staff (RPSS) office develops a Program of Requirements (POR) based on input received from various stakeholders, including the program or regional client, Safety and Sustainability Division, Security Management Division, and Office of Environmental Information. RPSS prepares a draft POR used for developing a cost estimate. The EPA program office requesting the project and the EPA stakeholders listed above conduct a formal review of the draft and are permitted to submit additional comments.

Once the project is approved and funded, the design phase begins, and the EPA conducts additional analytical studies to provide more detailed cost estimates, implementation options, design directives, and scheduling and phasing plans before the project's construction phase. The EPA also performs a lifecycle cost analysis for all new construction to review the impact of incorporating energy conservation measures into the design and construction process. The EPA includes the analysis as part of the initial project submission process, and the final project reflects these considerations.

The EPA identifies repair and improvement requirements as part of the short-range planning goals. The agency usually describes projected repair and alteration needs in the facility condition assessments and master plans. Condition assessments, which occur periodically, detail repair and improvement needs based on two categories: (1) architectural/structural and (2) mechanical, electrical, and plumbing systems. The EPA reviews repair and alteration needs annually for funding.

Prioritization is the process by which appropriated B&F funding is allocated to repair and improvement projects. Congress determines the amount of B&F funds appropriated for the upcoming year based on the budget justifications the EPA submits. Based on anticipated funding, the Office of Administration creates a draft list of prioritized projects from the Master Plans, Condition Assessments, Health and Safety Audit findings, Security Assessments, and pending lease actions. This draft list of projects is reviewed by the Programs and Regions, who make any recommendations for proposed changes. They also add any emergency B&F projects which may have developed. A final B&F operating plan for the fiscal year is developed once appropriated funding level is determined.

BUDGET ASSUMPTIONS AND IMPACT TO REDUCTION TARGETS

The EPA's space reduction strategy is dependent upon adequate funding levels. The EPA often must make up-front investments in order to achieve space reductions, including purchase of new

furniture and equipment, acquisition and modification of new spaces, and completion of the Environmental Due Diligence Process for laboratory spaces. The space reduction targets within this RPEP were developed with the assumption that agency funding levels for real property will meet requested funding amounts. Budget adjustments may necessitate adjustments to reduction targets. The project prioritization process for appropriated B&F funding can also affect the timeline for office and warehouse reduction targets.

PORTFOLIO STATUS

Overall Agency Building Portfolio

The EPA's real property portfolio is composed primarily of office, laboratory, and warehouse space that is EPA-owned, leased through GSA, or leased directly from another property owner (direct lease). The EPA's FY2017 portfolio summary is shown in Table 1.

Table 1: EPA FY2017 Portfolio Summary

| Property Use | EPA Direct-Leased Space | EPA-Owned Space | GSA-Owned and -Leased Space | Total |
|--------------------|-------------------------|---------------------|-----------------------------|---------------------|
| Office | 0 SF | 320,214 SF | 4,367,482 USF | 4,687,696 SF |
| Warehouse | 0 SF | 87,215 SF | 324,770 USF | 411,985 SF |
| RTF Total | 0 SF | 407,429 SF | 4,692,252 USF | 5,099,681 SF |
| All Other | 155,633 SF | 2,941,752 SF | 515,345 USF | 3,614,912 SF |
| Grand Total | 155,633 SF | 3,349,181 SF | 5,207,597 USF | 8,712,411 SF |

The agency's space needs are largely driven by the regional offices, which house employees in EPA's 10 regions, and regional and program laboratories, which are special-use spaces that must accommodate extensive scientific equipment and specialized laboratory processes. The EPA has three categories of laboratories: regional laboratories, research and development laboratories, and program laboratories. Regional laboratories are located within each of the 10 EPA regions and serve a wide variety of functions, including emergency response, support to criminal investigations and enforcement, and analysis of environmental samples. Research and development laboratories develop new assessment techniques and scientific tools, and program laboratories provide direct scientific support to their respective program offices.

Status Relative to Reduce the Footprint Baseline Requirement

Significant net space reductions have been possible because of the agency's longstanding efforts to reduce space and a significant reduction in the size of the EPA's workforce in recent years. Based on the EPA's Federal Real Property Profile submissions and occupancy agreements with GSA, the agency reduced its RTF real property footprint by 90,811 SF in FY2017. The EPA's performance from RTF FY2015 baseline through FY2017 is shown in Table 2.

Table 2: Status of RTF Reductions, FY2017

| Actual Space Reductions | Square Footage |
|-------------------------------------|-----------------------|
| FY2015 RTF Baseline | 5,364,495 |
| RTF Reductions During FY2016 | 174,003 |
| FY2016 RTF Total | 5,190,492 |
| RTF Reductions During FY2017 | 90,811 |
| FY2017 RTF Total | 5,099,681 |

In FY2017, notable EPA reductions include a space reduction (30,962 USF) at the Metcalfe Building in Chicago, Illinois; the release of a floor (18,607 USF) of the First Interstate Bank Building in Dallas, Texas; the consolidation of existing warehouse space (6,250 USF) at the Terminal Annex Federal Building in Dallas, Texas; a reduction of required space (1,515 USF) for a new OA in Richland, Washington, the continuation of office renovations (1,113 USF) at the Hawthorne Center in San Francisco, CA; the elimination of an OA (1,923 USF) in Saginaw, Michigan; and the demolition of a small building (300 USF) in Port Orchard, Washington. FY2017 space additions include a new office (1,500 USF) in Flint, Michigan and a recalculation of warehouse space (1,975 USF addition) in Fenton, Missouri.

The EPA previously reported a reduction of 224,685 USF of office and warehouse space as having occurred in FY2016. Table 2 reflects GSA-provided RTF reduction totals. The EPA attributes the discrepancy in FY2016 reductions to projects which occurred in FY2016 but which GSA counted towards FY2017, primarily the Kenwood Warehouse (43,125 USF) in Blue Ash, Ohio, and the V Street Warehouse (17,501 USF) in the District of Columbia.

Maintenance of the Reduce the Footprint Baseline

Projected consolidation, disposal, and construction projects are noted in the attached Microsoft Excel Spreadsheet, "EPA_FY19 Draft RPEP Office and Warehouse Asset Changes_FY18-FY23_27Aug2018" and summarized in Table 3. The EPA regularly assesses opportunities to reduce not only its RTF baseline but all spaces in its portfolio.

FY2018 office and warehouse consolidation, disposal, and construction projects are noted in the aforementioned attachment in addition to FY2019-2023 projects to document current FY performance. FY2018 regional office consolidation projects have been completed in New York, New York, (19,489 USF) where the twenty-second floor was consolidated; and San Francisco, California, where part of one floor (7,600 USF) was released. At the Potomac Yard office in Arlington, Virginia, release of the eleventh and twelfth floors resulted in a reduction of 54,000 USF. By September 30th, the Seattle, Washington office will release the tenth floor resulting in a space release of 15,689 USF

Several additional office space reductions were completed in FY2018. In Los Angeles, California, the Region 9 Field Office was consolidated with the Criminal Investigation Division Office, resulting in a net reduction of 1,228 USF. The West Palm Beach, Florida field office was

eliminated without replacement for a reduction of 553 USF. The Norwood Professional Building, office space in Norwood, Ohio, was returned to GSA in its entirety in FY2018, resulting in a 28,594 USF reduction. Employees from the Norwood Professional Building were consolidated into the Andrew W. Breidenbach Environmental Research Center in Cincinnati, Ohio, which is an EPA-owned complex.

As requested by GSA, the EPA provided the following three examples of reductions to office and warehouse space that will be updated and tracked publicly on [Performance.gov](https://www.performance.gov): Denver, Colorado; New York, New York; and Arlington, Virginia. At the regional office in New York, New York, the EPA vacated the twenty-second floor in FY2018, resulting in a reduction of 19,489 USF. In FY2019, the EPA will release the twentieth floor and part of the fifteenth and sixteenth floors, resulting in a further space reduction of 41,889 USF. At the regional office in Denver, Colorado, the EPA plans to release the eighth and ninth floors upon OA expiration in FY2019, resulting in a portfolio reduction of 58,448 USF. The EPA also consolidated the eleventh and twelfth floors at its headquarters facility in Arlington, Virginia, at the end of the OA period in March 2018, which resulted in a reduction of 54,000 USF.

REDUCTION TARGETS

Reduction Targets for Office and Warehouse Space

As a result of the EPA's relatively small real property portfolio, the agency has been able to make significant reductions in its real property footprint using a streamlined business process. Potential space reductions are identified when regional offices notify RPSS of available space or opportunities become available at time of lease/OA renewal. RPSS conducts assessments of available space and develops plans to reconfigure contiguous blocks of space.

The EPA also uses Performance Benchmarking for the Real Property Function. These measures are (1) current portfolio SF as a percentage of the FY2012 FTF baseline, (2) rent cost per SF, (3) operation and maintenance cost per SF, and (4) SF per person. The FY2015 RTF baseline is the primary efficiency measure for agency space reductions. The majority of the EPA's office and warehouse inventory is leased space, and therefore operation and maintenance costs are included in lease costs. The SF per person measure is a strong driver for targeting potential real estate consolidations.

The EPA's space reduction efforts are driven both by reductions in the agency workforce and by efforts to reduce utilization rates. In locations where a reduction in agency workforce results in space consolidation within a building already occupied by the EPA, new furniture and workstations are not usually purchased. In new leased or owned spaces, the EPA acquires new furniture and workstations that allow for smaller workstations and a reduction in utilization rates.

Under the Reduce the Footprint policy, agencies with fewer than 200 domestic owned and leased warehouses are not required to develop reduction targets for warehouse space. The EPA has a portfolio of only approximately 40 warehouses and is therefore not required to develop these targets. Nonetheless, the agency is highlighting warehouse space reduction efforts conducted in FY2017, in process in FY2018, and projected for FY2019-FY2023. Information on specific office and warehouse space reductions can be found in the attached Microsoft Excel Spreadsheet,

“EPA FY19 Final RPEP Office and Warehouse Asset Changes FY_18-FY23_27Aug2018”. Domestic office and warehouse reduction targets are shown in Table 3.

Table 3: RTF Domestic Office and Warehouse Net Reduction^a Targets, FY2019 – FY2023

| | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|--------------------------------|---------|---------|---------|--------|--------|
| Office Target (USF) | 181,925 | 156,272 | 217,775 | - | - |
| Warehouse Targets (USF) | 13,700 | 13,576 | 723 | - | - |

^a Reductions are reported as a positive value.

The EPA has either recently conducted or plans to conduct consolidation projects at a majority of EPA’s ten regional offices. These consolidations are partially the result of reduced space needs due to fewer FTEs. Construction is ongoing at the Denver, Colorado, Region 8 office, with a consolidation of 58,448 USF resulting from the release of the eighth and ninth floors. This project will be completed in FY2019. Also in FY2019, the EPA will release 38,323 USF from the Region 4 office in Atlanta, Georgia. The EPA will complete additional office consolidation at the Region 2 New York, New York, regional office in FY2019, where the twentieth and part of the fifteenth and sixteenth floors will be consolidated (a further reduction of 41,889 USF). A consolidation project at the Region 6 Dallas, Texas, regional office (32,825 USF reduction) will include a new lease agreement and is anticipated to occur in FY2019. A new Occupancy Agreement for the EPA’s Region 3 office in Philadelphia, Pennsylvania, will result in a space reduction of 119,556 USF in FY2020.

In FY2019, the Addison warehouse in Dallas, Texas, will be consolidated, resulting in a 11,000 USF reduction. EPA offices will be released without replacement in Bismarck, North Dakota (640 USF reduction); Brunswick, Georgia (4,656 USF reduction); and Nashville, Tennessee (1,263 USF reduction). Office space in Baton Rouge, Louisiana, will be reduced upon Occupancy Agreement expiration, resulting in a space reduction of 1,981 USF. Office space in Boothwyn, Pennsylvania, will be consolidated to a space adjacent to existing warehouse space in Linwood, Pennsylvania, resulting in a net reduction of 1,900 USF of office space. This project will be completed in FY2019. Finally, EPA will dispose of an owned laboratory, the Large Lakes and River Forecasting Station, in Grosse Ile, Michigan, in FY2019. The warehouse component of this project will result in a 2,700 USF reduction.

In FY2020, upon expiration of existing Occupancy Agreements, the EPA will consolidate office and warehouse space from the La Plaza Business Complex in Las Vegas, Nevada into a new consolidated facility that will total 55,035 USF (25,130 USF office and 29,905 USF warehouse). This consolidation (including a portion of La Plaza Business Complex Building D, which was eliminated in FY2018) will result in a projected net space reduction of 45,295 USF: 13,576 USF in warehouse space and 31,719 USF in office space. The EPA plans to reduce space in Wheeling, West Virginia, upon Occupancy Agreement expiration in FY2020, resulting in an

anticipated reduction of 4,581 USF of office space and a 1,986 USF reduction of warehouse space. This project was previously anticipated to occur in FY2018, but existing occupancy was extended due to active solicitation. A new OA in the Annapolis, Maryland, office will result in a space reduction of 7,336 USF.

In FY2021, the EPA will consolidate employees from the Potomac Yard building in Arlington, Virginia, to the Federal Triangle Complex, resulting in a reduction of 218,788 USF. Office space in Coeur D'Alene, Idaho, will be released without replacement, resulting in a reduction of 1,240 USF. The EPA's Rapid Response Center Warehouse in San Francisco, California, and the Region 9 Central Regional Laboratory in Richmond, California, will be consolidated into a single facility. The new facility will be 14,410 USF of warehouse (9,317 USF), office (3,508 USF), and laboratory (1,584 USF) space, which will result in a net space reduction of 30,530 USF. The EPA will also dispose of the EPA-owned Willamette Research Station laboratory in Corvallis, Oregon that will result in a 1,255 SF office space reduction and a 1,700 SF warehouse space reduction (in addition to 17,963 SF of laboratory space). Laboratory reduction projects are discussed in more detail in subsequent sections.

Disposal Targets for Owned Buildings

Under the RTF policy, the EPA is required to develop space reduction targets for owned spaces that are not offices or warehouses. The EPA constantly assesses its agency-owned inventory for opportunities to consolidate or dispose of unutilized or underutilized properties, where no security concerns exist. All EPA's owned facilities that are not offices or warehouses are laboratories, which are considered special-use spaces under the RTF policy. The EPA's real property portfolio includes laboratories which are either leased through GSA, leased directly by the EPA, or owned by the EPA.

The EPA plans to dispose of one owned facility in FY2019 and another in FY2021. Consolidation of the Large Lakes Research Station in Grosse Ile, Michigan, in FY2019, will result in the elimination of approximately 32,847 SF of EPA-owned laboratory space, included in Table 4, as well as 2,700 SF of warehouse space, included in Table 3. The property is anticipated to be vacated in February 2019, with release to occur later in FY2019. The EPA also plans to dispose of the Willamette Research Station in Corvallis, Oregon, in FY2021, which will result in the release of 20,918 SF of owned space (17,963 SF of laboratory and other non-RTF spaces, included in Table 4, and 2,955 SF of office and warehouse space, included in Table 3). Willamette staff will consolidate to the Environmental Research Laboratory in Corvallis. Table 4 shows a balance of two buildings disposed and a net decrease in SF of owned non-office, non-warehouse space in FY2021. Disposal targets for owned laboratory space and other non-RTF spaces are shown in Table 4 and the attached Microsoft Excel spreadsheet, "EPA_FY19 Final RPEP_Reduction Targets for Owned Buildings (non-office/non-warehouse) 27Aug2018". FY2018 consolidation, disposal, and construction projects are noted in the aforementioned attachment in addition to FY2019-2023 projects to document current FY performance.

Table 4: Disposal Net Reduction^a Targets for Non-Office, Non-Warehouse Owned Buildings, FY2019 – FY2023

| FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|--------|--------|--------|--------|--------|
|--------|--------|--------|--------|--------|

| | | | | | |
|-------------------------------------|--------|---|--------|---|---|
| Disposal Target(SF) | 32,847 | - | 17,963 | - | - |
| Number of Disposal Buildings | 1 | - | 1 | - | - |

^a Reductions are reported as a positive value.

Most of EPA's laboratory consolidations and space reductions involve moving out of leased laboratory space into EPA-owned facilities. As a result, most of the laboratory space reductions the EPA is executing cannot be included in the RTF targets because they are leased facilities. Between FY2013 and FY2015, the EPA moved out of the leased Environmental Chemistry Laboratory in Bay St. Louis, Mississippi, for a total space reduction of 66,700 USF and the Reproductive Toxicology Facility Laboratory in Durham, North Carolina, for a total net space reduction of 21,700 USF.

The EPA is actively planning further reductions of leased laboratory space across the agency. In FY2019, the Central Regional Laboratory in Golden, Colorado, comprising 34,100 USF, will be consolidated into the Denver Federal Center Building 25 (National Enforcement Investigations Center) in Lakewood, Colorado, resulting in a net reduction of 34,100 USF. The EPA already eliminated a portion of the leased laboratory space from the National Exposure Research Laboratory at the Harmon Avenue Complex on the campus of the University of Nevada, Las Vegas, effective FY2017. The remainder of the complex (69,600 USF) will be eliminated in FY2020, concurrent with the end of the lease term. In FY2021, the EPA will release the Region 9 Central Regional Laboratory (44,940 USF) in Richmond, California, and consolidate functions with the Rapid Response Center Warehouse into a smaller facility (14,410 USF) near San Francisco, California.

Use of Performance Benchmarks to Identify Reduction Opportunities

Although space reductions at the EPA have proceeded at an aggressive pace in recent years, some barriers to further space reductions and cost savings remain. One of the EPA's core mission requirements is to hold frequent public meetings in regional offices to solicit public input to the rulemaking process or other policy decisions. This requires the EPA to maintain large conference rooms in accessible, centrally located urban centers where office space tends to have high rental costs. This challenge is underscored by the 2016 Benchmarking Plan for EPA: Real Property Function, which shows the EPA as ranking twentieth out of the 24 CFO Act agencies on the basis of rent cost per SF for Occupancy Agreement office space and fifteenth for warehouse space. The EPA performed well in comparison with other agencies on other applicable real property metrics. EPA is ranked eighth in current portfolio SF as a percentage of the FY2012 Freeze the Footprint Baseline, indicating strong reduction performance between FY2012 and FY2015. EPA also ranked second in operations and maintenance costs per SF for direct owned offices and seventh in operations and maintenance costs per SF in direct owned warehouses. Tables 5 and 6, below, document the EPA's performance against square footage benchmarks.

Table 5: Benchmark Metric Summary for EPA, Square Footage Per Person

| Benchmark Metric | FY2015 | FY2017 | Change (FY2017 less FY2015) | Government-wide Average |
|--|--------|---------|-----------------------------|-------------------------|
| SF per person Direct Lease Office | - | 3931.50 | - | 229.33 |
| SF per person Owned Office | 380.66 | 518.14 | 137.48 | 415.90 |
| SF per person GSA OA Office | 285.38 | 281.90 | -3.47 | 272.38 |

Table 6: Benchmark Metric Summary for EPA, Cost Per Square Footage

| Benchmark Metric | FY2013 | FY2017 | Change (FY2017 less FY2015) | Government-wide Average |
|---|--------|--------|-----------------------------|-------------------------|
| Rent per SF Direct Lease Office | - | 0.00 | 0.00 | 29.85 |
| Rent per SF GSA OA Office | 41.58 | 35.37 | -6.22 | 27.51 |
| O&M/SF Owned Office | 6.20 | 4.99 | -1.21 | 5.14 |
| Rent per SF GSA OA Warehouse | 9.00 | 13.32 | 4.32 | 10.60 |
| O&M/SF Owned Warehouse | 4.02 | 4.52 | 0.51 | 2.62 |
| Percent of Owned Portfolio SF with Facility Condition Index of 85 or greater | - | 84 % | - | 73% |

Space Design Standard for Future Reductions

On July 18, 2016, the EPA established Order 1000.10, Agency Office and Workstation Standards in response to OMB's Management Procedures Memorandum Number 2015-01 and OMB Memorandum M-12-12 (Section 3, Reduce the Footprint). To optimize the office space required to support the agency's mission while enhancing workplace flexibility, the order establishes EPA's policy for offices and workstations establishing a maximum workstation size up to 70 SF for most federal employees, applicable for new construction, new leases, and spaces being renovated or reconfigured. This workstation size will suit most work styles and permit future changes with little need for reconfiguration. The EPA's Office of Administration reviews all projects to ensure compliance with these standards prior to project approval.

Utilization Rates

The EPA continually seeks opportunities to lower utilization rates upon lease renewals. Increasing portfolio-wide utilization rates is a primary driver to execute disposal, consolidation, or collocation projects. As discussed, efficient space utilization is a key metric in the evaluation of laboratory facilities for consolidation or disposal opportunities, which are not reflected in the EPA's Office Utilization Rate. In FY2017, the EPA had an administrative office utilization rate of 198 USF per person, inclusive of administrative office space at EPA's 10 regional offices; Headquarters; Research Triangle Park complex in Durham, North Carolina; and the Andrew W. Breidenbach Environmental Research Center in Cincinnati, Ohio. Administrative office space consists of assignable space comparable to commercial office space (including open workspaces, private offices, meeting rooms, file and storage rooms, coat closets, and reception areas). It does not include special space, such as data centers, laboratories, high density file rooms, and public

waiting areas. Headcount is determined by the total number of Federal personnel and resident contractors assigned to a building.

GSA CONSOLIDATION PROGRAM

The EPA has one active project which received GSA Consolidation Program funding. The EPA received \$8.9 million in consolidation funds for the consolidation of the Central Regional Laboratory in Golden, Colorado, with the National Enforcement Investigations Center (Denver Federal Center, Building 25) in Lakewood, Colorado. This project is ongoing, with final release of the leased Central Regional Laboratory expected to occur in FY2019.

Table 7: GSA Consolidation Program Funding Requests

| Consolidation Project Building Name and Number | FY Submission | Consolidation Type | Consolidation Impact (Net SF Reduction) | Total Consolidation Funds Requested |
|---|----------------------|---------------------------|--|--|
| Denver Federal Center, Building 25 | FY2016 | GSA-Leased to GSA-Owned | 34,100 USF | \$8.9M |

COLLOCATION OPPORTUNITIES

EPA works with GSA under the Federal Property Management Reform Act of 2016 to identify EPA facilities that are suitable for collocation with other federal agencies per section 623(e)(5) of the Federal Property Management Reform Act of 2016. For FY2018, GSA identified eight EPA facilities as possibly suitable locations for collocation with other federal agencies: the Manchester Regional Laboratory in Port Orchard, Washington; the Willamette Research Station in Corvallis Oregon; the Gulf Ecology Division in Gulf Breeze, Florida; the Edison New Jersey laboratory, the Athens Georgia laboratory, the Andrew W. Breidenbach Environmental Research Center in Cincinnati, Ohio; Research Triangle Park in Durham, North Carolina; and the Narragansett, Rhode Island, laboratory.

EPA is already taking advantage of collocation opportunities at a number of these locations. The Willamette Research Station is collocated with the U.S. Geological Survey, which has a vehicle garage on campus. The Edison laboratory is collocated with GSA offices, and the Gulf Breeze laboratory is collocated with the National Oceanic and Atmospheric Administration. There is no opportunity for collocation at the Manchester Regional Laboratory because the space there is already fully utilized. The Athens, Cincinnati, Narragansett, and Research Triangle Park laboratories are special use spaces that are not suitable for collocation.

OPERATIONAL EFFICIENCIES

The EPA actively tracks workplace staffing to identify facilities with workforce reductions that decrease utilization rates. In these cases, space reduction projects are identified to maintain high utilization rates. The EPA takes advantage of opportunities to implement new workstation

policy, EPA Order 1000.10, which supports and promotes the use of open office and open workstation space and allows for cost effectiveness and flexibility in organizational structure. EPA Order 1000.10 aims to create enclosed spaces only as-needed for communication of a sensitive nature, such as conference, interview, and negotiation rooms. Office and workstation environments are encouraged to promote flexibility, collaboration, and communication. Flexible workplaces will allow the EPA to adapt to changes in work processes and staffing, and to accommodate telework with minimum costs. The EPA maintains a formal telework program and teleconferencing system to allow eligible staff to work from alternate locations on a regular or intermittent basis.

The EPA currently collects and manages data on owned and leased facilities using FMS. The EPA uses Qlik Sense, a data analytics and visualization development business intelligence platform. The flexibility of Qlik Sense allows EPA real property personnel and managers to work directly with facility information through interactive dashboards driven by multiple data feeds, including human resources and badging data. Qlik Sense allows for assessment of space utilization and personnel head counts through customized dashboards for easy and fast real property data analysis to support decision-making.

COMPLIANCE INTERNAL CONTROLS

All real property portfolio decisions to acquire new leased space and to consolidate, collocate, or dispose of space are authorized by the director, Office of Administration. The number of planned and active acquisition, disposal and consolidation projects at any given time at the EPA is small enough that the projects can be readily managed by a small team of real estate experts within RPSS. In general, the EPA's internal process for identifying and prioritizing space reductions is to collect data from EPA facilities, identify those facilities with poor utilization rates and execute disposals, consolidations, or collocations to increase portfolio-wide utilization rates.

Facility master plans are essential to the EPA's compliance with the RTF policy. Facility master plans are in place for each EPA-owned facility and are updated every 5 to 10 years. The facility master plans are integrated with the agency's mission and describe and assess the major characteristics of the property. The EPA incorporates energy and other sustainable design and operational considerations into its facility master plans. The following components are incorporated into sustainable master planning:

- Mission requirements;
- Long-term energy modeling;
- Long-range mechanical system/energy performance issues;
- Space utilization;
- Future capacity; and
- Condition assessment.

Facility master plans also contain strategies for the utilization, capital improvement, and major repairs, retirement and disposal of the properties.

FRPP DATA QUALITY IMPROVEMENT

Because of the EPA's small inventory of 20 owned facilities, the agency's FRPP data are relatively static and therefore readily manageable. Facility managers from across the agency enter data for their respective facilities directly into FMS, and these data are validated when space surveys are conducted as part of the master planning process, which occurs every 5 to 10 years for all owned facilities.

EPA is currently planning to replace FMS with a cloud-based portfolio management system. The EPA will obtain a workplace management system software that integrates functional models across real estate, capital projects, space management, facility management, and energy management on a single platform. The software change is anticipated to open new tools and capabilities for tracking and reporting real estate and construction projects, such as improved current performance visibility, future scenario modeling, metrics, and alerts. These additional tools are expected to improve data quality of FRPP report submissions.

The EPA also uses Rent on the Web, an online GSA tool for federal agencies to view cost and space data from GSA-leased and GSA-owned facilities, to conduct validation of FMS data. The EPA works with GSA to resolve data discrepancies when they arise, for both validation before and verification after annual data submissions.

CHALLENGES AND IMPROVEMENT OPPORTUNITIES

While the EPA has successfully pursued an aggressive space reduction strategy in recent years, the agency continues to face a variety of challenges in reducing its real property portfolio. These challenges include the following:

- **Cost of furniture.** The EPA must make significant investments in new furniture and structural reconfigurations to execute office consolidations that comply with new space design standards. Where possible, the EPA is reusing furniture from downsized facilities.
- **Identification of mission-critical, non-office space.** The EPA uses a variety of special-use space within office spaces. Most, if not all, of these special-use spaces are currently categorized as office space in the FRPP. These special-use spaces include records storage rooms, Emergency Operations Centers and large conference rooms for public meetings. Because FRPP counts these spaces as office space, the utilization rates in many facilities are high as a result.
- **Security considerations.** Some EPA offices require enhanced security and are unable to allow the general public to access the same floor in an EPA-occupied building. These requirements can make it difficult or impossible for the EPA to create blocks of marketable space to release.
- **Location-dependent missions.** A number of EPA laboratories have missions that are highly geographically dependent, which limits the agency's ability to manage these real property assets via relocation options. For example, the National Vehicle Fuel Emissions Laboratory is specifically sited in Ann Arbor, Michigan, because of its proximity to the headquarters of leading auto manufacturers in Detroit. A number of laboratories, including the Gulf Ecology Division, Atlantic Ecology Division, Pacific Coastal Ecology

Branch and Mid-Continent Ecology Division, are located within the ecosystems they are charged to study, which limits relocation options.

- **Statutory requirements.** Statutory requirements under the Energy Independence and Security Act of 2007 have necessitated the acquisition of additional space at the National Vehicle and Fuel Emissions Laboratory in Ann Arbor to install additional dynamometers and other equipment associated with vehicle-emissions testing.
- **Environmental Due Diligence Process.** Disposing of laboratories often requires a rigorous EDDP because of the hazardous materials used in many laboratory processes. EDDP activities can be costly and time consuming, and therefore place additional constraints on setting disposal targets. In addition, the disposal of owned laboratory space often involves consolidation with other existing laboratory facilities. This places constraints on disposal because space in existing facilities often have to be modified or built out to consolidate new functions and staff into that space.
- **Historic buildings.** Some EPA offices are located in historic buildings, such as the William Jefferson Clinton Federal Building, which limit the EPA's ability to modify the spaces, such as altering walls, corridors and other interior partitions to consolidate space.
- **Limited resources.** The EPA is limited in both funding and staffing. Also, tenant improvement costs for new spaces do not incorporate shell costs, which hinders the EPA's ability to achieve legislative and executive-order requirements for sustainability and energy reductions.

The EPA recognizes a number of opportunities that can be seized by the agency in the coming years to enhance the efficiency and cost savings of the agency's real property portfolio. The EPA has in the past taken advantage of opportunities to leave leased commercial space and relocate in federal buildings, often co-locating with other agencies. Opportunities to make such relocations are limited because EPA regional offices are often too large to fit entirely within federal buildings. However, the agency has, in recent years, successfully moved and consolidated offices into federal buildings in Boston, San Antonio, and the District of Columbia.

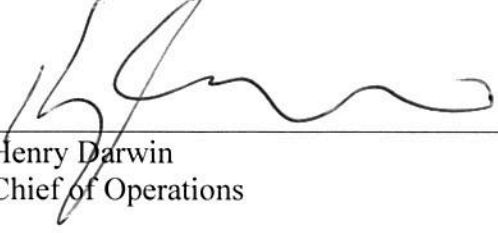
In the coming years, the EPA will continue to build on the substantial progress it has already made reducing its real property footprint through reductions in office, warehouse, and laboratory space. The EPA not only will seek to reduce space where utilization rates are low by historic standards but also will continue to implement new space design standards that are designed for a mobile, twenty-first century workforce.

ATTACHMENTS:

Office and Warehouse Asset Changes Spreadsheet

Owned Non-Office and Non-Warehouse Disposals Spreadsheet

Date 9/27/18


Henry Darwin
Chief of Operations

Owned and Leased Office and Warehouse Assets

| Type of Project * | # Disposal Project | # Acquisition Project | If Modification of Existing Asset | Real Property Use | Direct Owned, Direct Leased or GSA OA Asset** | FRPP RPUID*** | OA Number*** | Size of Asset Acquired, Modified or Disposed (SF)**** | SF Unit of Measure | Net Portfolio (SF) |
|--------------------------------|-------------------------|-----------------------|-----------------------------------|-------------------|---|---------------|--------------|---|--------------------|--------------------|
| Modification of Existing Asset | | | Other Reduction | Office | GSA OA | NY0350ZZ | ANY02280 | 243,057 | Usable Square Feet | |
| Modification of Existing Asset | | | | Office | GSA OA | VA0907ZZ | AVA02366 | 272,788 | Usable Square Feet | |
| Modification of Existing Asset | | | Other Reduction | Office | GSA OA | WA7321ZZ | AWA05431 | 154,006 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | CA7600ZZ | ACA02318 | 4,409 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | CA7600ZZ | ACA07740 | 7,918 | Usable Square Feet | |
| Acquisition | | OA | | Office | GSA OA | CA7600ZZ | ACA11267 | 11,099 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | FL2334ZZ | AFL04445 | 553 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | OH2058ZZ | AOH05800 | 28,594 | Usable Square Feet | |
| Modification of Existing Asset | | | Other Reduction | Office | GSA OA | CA7600ZZ | ACA10320 | 200,937 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | CA0306 | ACA01168 | 1,793 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | NV7393ZZ | ANV02678 | 6,920 | Usable Square Feet | |
| Modification of Existing Asset | | | Other Reduction | Office | GSA OA | NY0350ZZ | ANY02280 | 243,057 | Usable Square Feet | |
| Modification of Existing Asset | | | Other Reduction | Office | GSA OA | GA1007 | AGA00560 | 38,323 | Usable Square Feet | |
| Modification of Existing Asset | | | Other Reduction | Office | GSA OA | CO1977ZZ | ACO04164 | 201,548 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | PA0789ZZ | APA01479 | 6,400 | Usable Square Feet | |
| Acquisition | | OA | | Office | GSA OA | TBA | TBA | 13,500 | Usable Square Feet | |
| Disposal | Transfer | | | Warehouse | Direct Owned | MNDULTH1004 | N/A | 2,400 | Gross Square Feet | |
| Disposal | Transfer | | | Warehouse | Direct Owned | MNDULTH1005 | N/A | 300 | Gross Square Feet | |
| Disposal | Lease or OA Expiration | | | Warehouse | GSA OA | TX2649ZZ | ATX04450 | 22,194 | Usable Square Feet | |
| Acquisition | | OA | | Office | GSA OA | TX2903ZZ | ATX08504 | 204,696 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | TX1922ZZ | ATX00979 | 237,521 | Usable Square Feet | |
| Disposal | Lease or OA Termination | | | Office | GSA OA | NDBISM0001 | AND02361 | 640 | Usable Square Feet | |
| Disposal | Lease or OA Termination | | Other Reduction | Office | GSA OA | LABATON2 | ALA01381 | 3,844 | Usable Square Feet | |
| Acquisition | | OA | | | | TBA | TBA | 1,863 | Usable Square Feet | |
| Disposal | Lease or OA Termination | | | Office | GSA OA | GABRUN1 | AGA03937 | 4,656 | Usable Square Feet | |
| Disposal | Lease or OA Termination | | | Office | GSA OA | TN0052AA | ATN02117 | 1,263 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | PA0642ZZ | APA00911 | 267,696 | Usable Square Feet | |
| Acquisition | | OA | | Office | GSA OA | TBA | TBA | 148,140 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | MD0372ZZ | AMD00024 | 19,586 | Usable Square Feet | |
| Acquisition | | OA | | Office | GSA OA | TBA | TBA | 12,250 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | WV1075ZZ | AWV01737 | 13,865 | Usable Square Feet | |
| Acquisition | | OA | | Office | GSA OA | TBA | TBA | 9,284 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | NV7751ZZ | ANV02970 | 49,929 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Warehouse | GSA OA | NV6657ZZ | ANV02671 | 32,481 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Warehouse | GSA OA | NV6657ZZ | ANV02921 | 11,000 | Usable Square Feet | |
| Acquisition | | OA | | Office | GSA OA | TBA | TBA | 25,130 | Usable Square Feet | |
| Acquisition | | OA | | Warehouse | GSA OA | TBA | TBA | 29,905 | Usable Square Feet | |
| Disposal | Lease or OA Termination | | | Office | | VA0907ZZ | AVA02366 | 218,788 | Usable Square Feet | |
| Disposal | Lease or OA Expiration | | | Office | GSA OA | ID4325 | AID02255 | 1,240 | Usable Square Feet | |
| Disposal | Transfer | | | Office | Direct Owned | ORCORV2200 | N/A | 1,255 | Gross Square Feet | |
| Disposal | Transfer | | | Warehouse | Direct Owned | ORCORV2400 | N/A | 1,700 | Gross Square Feet | |
| Disposal | Lease or OA Expiration | | | Warehouse | GSA OA | CASANFRA3 | ACA09974 | 8,340 | Usable Square Feet | |
| Acquisition | | OA | | Warehouse | GSA OA | TBA | TBA | 14,410 | Usable Square Feet | |
| Acquisition | | OA | | Office | GSA OA | TBA | TBA | 14,410 | Usable Square Feet | |

* Modification of existing asset -- e.g., renovation of

** List each OA project on separate rows (projects impacting multiple OAs will have multiple rows)

*** Insert TBA (to be assigned) if this is an acquisition project without an RPUID or OA number.

**** Provide the net effect the project will have on your agency's square footage. Please do not include paired disposal and acquisition projects where the net portfolio impact is zero on this sheet. For example, if your agency has a disposal action

Non-Office and Non-Warehouse Disposals - FY19 - FY21

| Predominant Use Code (dropdown menu) | SF (# in SF) | SF Unit of Measure (dropdown menu) | FRPP RPUID | City | State/US Territory |
|---|-----------------|---------------------------------------|---------------|------------|-----------------------|
| 74 Laboratories | 28,180 | Gross Square Feet | MNDULTH | Grosse Ile | MI |
| 80 All Other | 2,917 | Gross Square Feet | MNDULTH | Grosse Ile | MI |
| 80 All Other | 1,750 | Gross Square Feet | MNDULTH | Grosse Ile | MI |
| 74 Laboratories | 10,600 | Gross Square Feet | ORCORV | Corvallis | OR |
| 74 Laboratories | 513 | Gross Square Feet | ORCORV | Corvallis | OR |
| 74 Laboratories | 1,600 | Gross Square Feet | ORCORV | Corvallis | OR |
| 80 All Other | 3,900 | Gross Square Feet | ORCORV | Corvallis | OR |
| 80 All Other | 1,350 | Gross Square Feet | ORCORV | Corvallis | OR |

| | |
|--------------------------------|----------------------|
| 10 Office | Gross Square Feet |
| 14 Post Office | Rentable Square Feet |
| 17 Outpatient Healthcare | Usable Square Feet |
| 21 Hospital | |
| 22 Prisons and Detention | |
| 23 School | |
| 24 Comfort Station/restroom | |
| 25 Data Network | |
| 28 Museum | |
| 29 Other Institutional Uses | |
| 30 Family Housing | |
| 31 Dormitories/Barracks | |
| 41 Warehouses | |
| 50 Industrial | |
| 60 Service | |
| 72 Communication Services | |
| 73 Navigation and Traffic Aids | |
| 74 Laboratories | |
| 84 Border Inspection Station | |
| 85 Facility Security | |
| 86 Land Port of Entry | |
| 87 Aviation Security Related | |
| 88 Public Facing Facility | |
| 80 All Other | |
| 89 Child Care Center | |

